

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
FILING OF OVERLAND)	CASE NO. 2012-00164
DEVELOPMENT, INC.)	

ORDER

On April 30, 2012, Overland Development, Inc. ("Overland") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Overland purchases water from Big Sandy Water District ("Big Sandy").
2. On May 1, 2012, Big Sandy increased its volumetric wholesale rate to Overland from \$1.87 per 1,000 gallons to \$2.56 per 1,000 gallons.
3. Overland proposed a purchased water adjustment factor of \$0.81 per 1,000 gallons.
4. During the 12 months ended March 31, 2012, Overland purchased 6,484,400 gallons of water from Big Sandy and sold 5,369,000 gallons. Overland's unaccounted-for water loss exceeds 15 percent.
5. 807 KAR 5:0067, Section 3(3), requires that, in instances where a privately-owned water utility's unaccounted-for water loss exceeds 15 percent, the utility's actual water sales shall be divided by 85 percent to yield the maximum allowable

¹ 807 KAR 5:067.

water purchases. The maximum allowable water purchases shall then be multiplied by the supplier's base rate and the changed rate. The difference between these amounts will be the total allowable change in the utility's purchased water costs.

6. During the 12 months ended March 31, 2012, Overland's allowable gallons purchased is 6,316,471 gallons of water.² The increase in Overland's cost of purchased water is \$4,358.37, resulting in a purchased water adjustment factor of \$0.81 per 1,000 gallons.

7. The purchased water adjustment factor of \$0.81 per 1,000 gallons is fair, just, and reasonable and should be approved.

8. The rates set forth in Appendix B are fair, just, and reasonable and should be approved for service provided on and after June 1, 2012.

9. Overland proposes to place its proposed rates into effect on June 1, 2012.

IT IS THEREFORE ORDERED that:

1. Overland's proposed rates are approved.

2. The purchased water adjustment factor of \$0.81 per 1,000 gallons as calculated in Appendix A is approved.

3. The rates in Appendix B are approved for service that Overland renders on or after June 1, 2012.

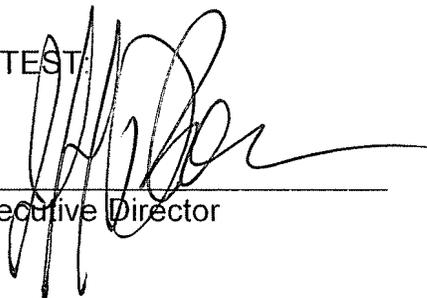
4. Within 20 days of the date of this Order, Overland shall file with the Commission a revised tariff sheet setting forth the rates approved herein.

² See Appendix A, Calculation of allowable gallons purchased.

By the Commission

ENTERED *pat*
MAY 25 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00164 DATED **MAY 25 2012**

Calculation of allowable gallons purchased

Total gallons sold for the test period	5,369,000
Divided by .85	<u>÷ .85</u>
Total allowable gallons purchased	6,316,471

	New Rate	Base Rate
Big Sandy		
Allowable Purchases in gallons	6,316,471	6,316,471
Volumetric rate	<u>\$2.56 /1,000</u>	<u>\$1.87/1,000</u>
	\$ 16,170.17	\$ 11,811.80
Annual Service Charge	<u>\$ 6,549.00</u>	<u>\$ 6,549.00</u>
Total	\$ 22,719.17	\$ 18,360.80

Increased water cost \$4,358.37

Increased water cost	\$4,358.37
Divided by gallons sold/1,000	<u>5,369,000</u>

Purchased water adjustment factor \$0.81 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2012-00164 DATED **MAY 25 2012**

The following rates and charges are prescribed for the customers in the area served by Overland Development, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	2,000 gallons	\$21.88	Minimum Bill
Next	8,000 gallons	8.21	per 1,000 gallons
Next	20,000 gallons	6.43	per 1,000 gallons
Next	20,000 gallons	5.49	per 1,000 gallons
Over	50,000 gallons	4.59	per 1,000 gallons

James C Taylor
Secretary-Treasurer
Overland Development, Inc.
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